

LEA Medi-Cal Billing Option Program "Hot Sheet"

First Quarter 2008

LEA Claims Processing Issues

As of July 1, 2006, the LEA claims processing system has been modified to reflect the new LEA billing codes and policy changes. The California Department of Health Care Services (DHCS) has identified errors in the claims processing system which may cause claims to be inadvertently denied or incorrectly paid to LEA providers. DHCS is currently working with Electronic Data Systems (EDS) and Fiscal Intermediary - Contracts Oversight Division (FI-COD) to resolve these issues.

On December 26, 2007, EDS implemented an Erroneous Payment Correction (EPC) that automatically re-processed claims due to the following claims processing system issues:

- Claims that were overpaid and reimbursed 100% of the maximum allowable rate;
- Initial treatment service claims that were overpaid and reimbursed the maximum allowable rate multiplied by the number of units billed;
- Claims billed under 96100 that were underpaid at the IEP/IFSP amended psychological assessment maximum allowable rate.

This EPC was the first in a series of EPCs that will adjust LEA payments for inadvertently denied or incorrectly paid claims. See the LEA Program website for a current summary of claims processing issues and status of resolution.

Mandatory Cost and Reimbursement Comparison Schedule (CRCS) Requirement

LEA providers must annually certify that the public funds expended for LEA services are eligible for federal financial participation. The CRCS will be used to compare each LEA's actual costs for LEA services to Medi-Cal reimbursement. The first CRCS report will cover the July 1, 2006 to June 30, 2007 period. The mandatory CRCS submission deadline of November 30, 2007 has been extended until further notice. Visit the LEA Program website periodically for new deadline information.

Federal Regulations and Impact on LEA Program

CMS issued final rule 2287 (CMS-2287-F) eliminating Medicaid Administrative Claiming and Medicaid claiming for transportation of school-aged children between home and school. Implementation of LEA Medi-Cal Billing Option Program changes related to transportation will impact LEAs in SFY 2008-09. DHCS policy and clarification will be published in upcoming provider bulletins, provider manual replacement pages and on the LEA Program website.

Recently, CMS published an interim final regulation (CMS-2237-IFC) clarifying Medicaid reimbursable targeted case management services. The impact of the CMS interim regulations on the LEA Program is yet to be determined. DHCS policy and clarification will be forthcoming, once the interim rule is finalized and published.

**Visit the LEA Program Website for more information on these topics,
as well as general Program information:**

<http://www.dhcs.ca.gov/ProvGovPart/Pages/LEA.aspx>

E-mail LEA Medi-Cal Billing Option Program questions to: lea@dhcs.ca.gov